

April 12, 2016

VIA ELECTRONIC TARIFF

The Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

**Re: *New York Independent System Operator, Inc., et al.*
Compliance Filing and Request for Expedited Action
Docket Nos. ER15-572-001 and ER15-572-004**

Dear Secretary Bose:

New York Transco, LLC, Central Hudson Gas and Electric Corp., Consolidated Edison Company of New York, Inc., Niagara Mohawk Power Corporation, New York State Electric and Gas Corporation (“NYSEG”), Orange and Rockland Utilities, and Rochester Gas and Electric Corporation (collectively referred to herein as “NY Transco”) hereby file revisions to the New York Independent System Operator, Inc.’s (“NYISO”) Open Access Transmission Tariff (“OATT”)¹ in compliance with the Settlement Agreement in Docket No. ER15-572-000 and the Commission’s order issued March 17, 2016, approving the Settlement Agreement.² Consistent with the March 17 Order, NY Transco requests that the tariff revisions be made effective April 3, 2015. In addition, NY Transco requests that the Commission expeditiously review this compliance filing and issue an order accepting the compliance filing by May 31, 2016.

I. BACKGROUND

On December 4, 2014, NY Transco submitted a rate filing pursuant to section 205 of the Federal Power Act (“FPA”) requesting that the Commission: (1) approve certain incentive rate treatments pursuant to section 219 of the FPA and Order No. 679 for its investment in five-interrelated high-voltage transmission projects in New York; (2) accept NY Transco’s transmission formula rate, which includes a formula rate template and protocols; (3) approve NY Transco’s requested return on equity; (4) accept NY Transco’s cost allocation method to recover its revenue requirement; and (5) accept NY Transco’s proposed revisions to the NYISO OATT to include recovery of the proposed Transco Facilities Charge under Schedule 13 (Section 6.13) and the proposed cost allocation and formula rate template and implementation protocols as

¹ Pursuant to Order No. 714, this filing is submitted by the NYISO on behalf of NY Transco as part of an electronic filing package that conforms to the Commission’s regulations.

² *New York Indep. Sys. Operator, Inc.*, 154 FERC ¶ 61,196 (2016) (“March 17 Order”).

Attachment DD (Section 36). Numerous parties, including the Settling Parties,³ filed interventions, protests, comments, and answers in response to NY Transco's December 4 filing.

On April 2, 2015, the Commission issued an order, *inter alia*, accepting NY Transco's proposed formula rate for filing, suspending the formula rate for a nominal period of one day, and setting the formula rate for hearing, subject to refund.⁴ Several parties filed requests for rehearing of the April 2 Order, including NY Transco, NYPSC, and NYPA. The April 2 Order also required NY Transco to submit a compliance filing to revise the formula rate protocols as directed in the April 2 Order and to remove the cost allocation tables included in Attachment DD (Section 36) of the OATT.⁵ On May 4, 2015, NY Transco submitted a compliance filing consistent with the Commission's direction in the April 2 Order ("May 4 Compliance Filing").

On November 5, 2015, NY Transco filed an Offer of Partial Settlement with the Commission that would resolve all of the issues set for hearing or pending in requests for rehearing of the April 2 Order with respect to NY Transco's three proposed Transmission Owner Transmission Solutions ("TOTS") Projects (the "Settlement Agreement"), including, as relevant to this compliance filing, a cost allocation methodology for the TOTS Projects.⁶ Subsequent to the filing of the Settlement Agreement, comments were filed with the Commission identifying certain mutually agreed upon corrections to the formula rate template and to Schedule 13 (Section 6.13) of the OATT with respect to the calculation of the NYPA component of the Transco Facilities Charge for customers in a region designated by the NYISO as "NYPA North."⁷

The Commission approved the Settlement Agreement on March 17, 2016, and rejected NY Transco's May 4 Compliance Filing as moot because the Settlement Agreement includes the allocation of costs for the TOTS Projects.⁸ The Commission directed Applicants to file within

³ The Settling Parties are NY Transco, New York Power Authority ("NYPA"), Power Supply Long Island, New York Public Service Commission ("NYPSC"), New York State Department of State Utility Intervention Unit, City of New York, New York Association of Public Power, Municipal Electric Utilities Association of New York, and Multiple Intervenors (an unincorporated association of approximately 60 industrial, commercial, and institutional energy consumers with manufacturing and other facilities located throughout New York State).

⁴ *New York Indep. Sys. Operator, Inc.*, 151 FERC ¶ 61,004 (2015) ("April 2 Order").

⁵ *Id.* at Ordering Paragraphs (E) and (F).

⁶ The TOTS Projects are the Ramapo to Rock Tavern Project, the Staten Island Unbottling Project, and NYSEG's portion of the Marcy South Series Compensation Fraser to Coopers Corner Reconductoring Project. The two projects proposed to be developed by NY Transco in the NYPSC's Alternating Current Transmission Proceeding – the Edic to Pleasant Valley Project and the Oakdale to Fraser Project (together, the "AC Projects") – are not subject to the terms of the Settlement Agreement. On January 27, 2016, the Chief Administrative Law Judge held the proceeding in Docket No. ER15-572-000 in abeyance with respect to outstanding issues associated with the AC Projects until the NYISO issues a Viability and Sufficiency Assessment, consistent with the NYISO OATT, with respect to the AC Projects.

⁷ See Comments of Applicants filed November 25, 2015; Comments of FERC Trial Staff filed November 25, 2015; Reply Comments of Applicants filed December 14, 2015; Reply Comments of FERC Trial Staff filed December 14, 2015; Supplemental Comments of FERC Trial Staff filed December 22, 2015; and Comments of NYPA filed on December 28, 2015.

⁸ March 17 Order, at P 6.

30 days of the March 17 Order revised tariff sheets implementing the Settlement Agreement, including the minor agreed upon changes to the formula rate template as well as the changes to the protocols for the formula rate pursuant to the April 2 Order.⁹

II. DESCRIPTION OF FILING

In compliance with the Commission's April 2 Order and March 17 Order, NY Transco hereby submits the following revisions to the NYISO OATT, all of which are identified in blackline in this filing.

First, Attachment DD (Section 36) of the OATT is revised to reflect revision to the formula rate protocols, as directed by the Commission in the April 2 Order. These revisions are located in Sections 3(e)(xi) and 4(b) of the formula rate protocols (Section 36.3.1.2).

Second, Attachment 1 to Attachment DD (Section 36.2) is revised to reflect the cost allocation for the TOTS Projects set forth in the Settlement Agreement.

Third, Attachment DD (Section 36.1.1) is revised to accurately reflect the projects to which Attachment DD applies. In addition, revisions have been made throughout the formula rate template (Section 36.3.1.1) and implementation protocols (Section 36.3.1.2) to reflect the agreement of the Settling Parties as set forth in the Settlement Agreement and the comments submitted in response to the Settlement Agreement.

Fourth, Schedule 13 (Section 6.13) is revised throughout to reflect necessary revisions to the calculation of the NYPA component of the Transco Facilities Charge to account for NYPA North customers. These revisions were filed as comments on the Settlement Agreement by NY Transco at the request of the NYISO to ensure that the OATT provisions to be implemented accurately reflect the Settlement Agreement.

Fifth, Schedule 13 (Section 6.13.4.2) includes a minor revision to the cross-reference to the formula rate template (Attachment 2 of Attachment DD or Section 36.3). In discussions with the NYISO, it was determined that minor clarifying language was necessary to reflect the fact that the formula rate template approved by the Commission in the March 17 Order is a form of the formula rate template that will be used to calculate the Transco Facilities Charge on an annual basis. The collections that the NYISO will begin on behalf of NY Transco on June 1, 2016, will be based on the estimated costs calculated in NY Transco's November 30, 2015 annual projection, which was posted to the NYISO website in accordance with the protocols.

⁹ *Id.* at PP 5, 7. The April 2 Order directed NY Transco to revise its protocols to include language proposed by NYAPP as new Section 3(e)(vi) and Section 4(b). As a result of additional changes to the protocols requested by FERC Trial Staff and Settling Parties, the changes to the protocols directed by the April 2 Order are currently located in Section 3(e)(xi) and Section 4(b).

III. CONTENTS OF FILING

This compliance filing consists of the following documents:

1. This transmittal letter;
2. Attachment A – A clean version of Schedule 13 (Section 6.13) and Attachment DD (Section 36) of the NYISO OATT; and
3. Attachment B – A redlined version of Schedule 13 (Section 6.13) and Attachment DD (Section 36) of the NYISO OATT.

IV. COMMUNICATIONS

All communications regarding this filing should be directed to the following individuals:¹⁰

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¹⁰ Waiver of the Commission's regulations (18 C.F.R. § 385.203) is requested to the extent necessary to permit the inclusion on the service list of all of the parties listed herein.

V. SERVICE

NY Transco will serve each person designated on the official service list compiled by the Secretary in this proceeding. This filing will be posted on the NYISO website at www.nyiso.com, and the NYISO will send an electronic link to this filing to the official representative of each of its customers, to each participant on its stakeholder committees, to the NYPSC, and to the New Jersey Board of Public Utilities.

VI. TARIFF EFFECTIVE DATE

NY Transco requests an effective date for the revised tariff included herein of April 3, 2015, consistent with the March 17 Order.

VII. REQUEST FOR EXPEDITED ACTION

NY Transco anticipates that the TOTS Projects will be placed into service on June 1, 2016. Accordingly, NY Transco respectfully requests a shortened comment period of 21 days or less and expeditious consideration of this compliance filing by the Commission. NY Transco requests that the Commission issue an order accepting this compliance filing by May 31, 2016.

VIII. CONCLUSION

For the foregoing reasons, NY Transco respectfully requests the Commission to accept this compliance filing without modification. Please contact the undersigned if you have any questions.

Respectfully submitted,

/s/ Elias G. Farrah

Elias G. Farrah

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list in this proceeding in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure.

Dated at Washington, D.C. this 12th day of April, 2016.

/s/ Carlos L. Sisco

Carlos L. Sisco

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